(e) the steps proposed to help them as was done for large PSU commercial banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir.

(b) As on 31st March, 2006, out of 133 Regional Rural Banks (RRBs), 40 RRBs had negative networth to the extent of Rs. 1718.43 crores.

(c) to (e) The consolidation of Regional Rural Banks sponsored by the same Bank in a State was initiated in September, 2005. In the process, many weak RRBs have been amalgamated with strong RRBs of the same sponsored bank. Besides, various other steps, *viz.,* Development Action Plan (DAP)/Memorandum of Understandings (Mos), Organisation Development Interventions (ODIs), skill upgradation, lending through SHG route, etc. have been initiated by NABARD to make such RRBs sustainably viable. RRBs have also been permitted to take up non-fund business to enhance their profitability. 187 RRBs have been recapitalised to the extent of Rs. 2,188 crore by the stakeholders. Besides various policy changes have been effected to enable them to attain sustainable viability. As a follow up of the budget announcement for the year 2007-08, RRBs which have a negative networth will be considered for recapitalization in a phased manner.

Sixth Pay Commission

1522. SHRI SHANTARAM LAXMAN NAIK: Will the Minister of FINANCE be pleased to state:

(a) by what date the Sixth Pay Commission report is expected;

(b) the number of meetings the Commission held so far; and

(c) the aspects covered in these meetings?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Sixth Central Pay Commission was constituted on 5.10.2006. The Commission is required to submit its report within 18 months from the date of its constitution.

(b) and (c) As on 8th March 2007, ten meetings of the Sixth Central

Pay Commission have been held, which were, *inter-alia* devoted to hearings of Unions/Associations of the Central Government employees.

Increase in interest rate on Post Office deposits

1523. SHRI VARINDER SINGH BAJWA: Will the Minister of FINANCE be pleased to state:

(a) whether in view of over 6 per cent inflation that has been there for quite some time now, Government propose to increase the interest rate on Post Office Savings, Bank Deposits;

(b) if so, by when that is likely to be done; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) At present, there is no proposal under consideration of Government to increase the interest rates on Post Office Savings Bank Deposits, which, alongwith interest rates on other small saving schemes are benchmarked of the average yields on Government securities of comparable maturity in the secondary market, as recommended by the Expert Committee on Administered Interest Rates under the Chairmanship of Dr. Y.V. Reddy, then Dy. Governor, Reserve Bank of India.

Goods and service tax (GST)

1524. DR. VIJAY MALLYA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are actively considering to bring in legislation to introduce Goods and Service Tax;

(b) what are the benefits likely to accrue following the introduction of GST;

(c) whether any step has been taken to evolve a consensus in consultation with all the State Governments since such a legislation would impact the State Governments; and